

**Title 2. California Public Employees' Retirement System  
NOTICE OF PROPOSED REGULATORY ACTION**

**PROPOSED ADDITION OF**

**SECTION 559.1. REQUIRED CONTRACT-RELATED DISCLOSURES  
TO  
ARTICLE 2 OF CHAPTER 2 OF DIVISION 1 OF TITLE 2 OF THE CALIFORNIA  
CODE OF REGULATIONS**

(a) Definitions:

- (1) *Agent.* Agent means any Person hired, engaged, retained by, or serving for the benefit of or on behalf of a Proposer or Contractor, who acts or acted for compensation as a finder, solicitor, marketer, lobbyist, consultant, broker, representative, agent or other intermediary to assist, directly or indirectly, in preparing a Proposal to CalPERS or in securing a Contract with CalPERS.
- (2) *Board Member.* Board Member means a current or former elected or appointed member of the CalPERS Board of Administration.
- (3) *Contract.* Contract means an agreement between CalPERS and any Person to provide CalPERS goods and/or services. Contract includes new contracts and amendments to existing contracts (including contract extensions), letters of engagement, consulting purchase orders and similar agreements.
- (4) *Contractor.* Contractor means any Person providing services to CalPERS pursuant to a Contract.
- (5) *Contract-Related Disclosure Form.* Contract-Related Disclosure Form means the document provided by a Proposer or Contractor to CalPERS as required in subdivision (b) hereof.
- (6) *Familial Relationship.* Familial Relationship means a relationship by blood, marriage, registration of domestic partnership or adoption.
- (7) *Person.* Person means an individual, corporation, partnership, limited partnership, limited liability company, association or other entity (whether domestic or foreign).

- (8) Proposal. Proposal means any Person's written response to a Solicitation.
  - (9) Proposer. Proposer means any Person who provides a Proposal in response to a Solicitation.
  - (10) Solicitation. Solicitation means any process by which CalPERS seeks to procure a Person to provide goods and/or services to CalPERS, including without limitation Requests for Proposal and Invitations to Bid, regardless of amount.
  - (11) Staff Member. Staff Member means anyone employed at CalPERS within the five (5) years preceding the date the Contract-Related Disclosure Form is due.
  - (12) Things of Value. Things of Value include, but are not limited to, payments, gifts, loans, cash, meals, travel, awards, campaign contributions, charitable donations, and/or reimbursements. Things of Value do not include:
    - (A) Informational material such as books, reports, pamphlets, calendars, or periodicals within the meaning of Government Code section 82028, subdivision (e).
    - (B) Items that CalPERS determines are negligible in light of their amount, nature, purpose, or timing.
    - (C) Free admission, and refreshments and similar non-cash nominal benefits provided to any Board Member or Staff Member for giving a speech, participating on a panel or making a substantive formal presentation at a seminar or similar event, where the speech, participation or presentation is for official CalPERS business and the member is representing CalPERS in the course and scope of his or her official duties.
- (b) Each Proposer or Contractor shall submit to CalPERS a Contract-Related Disclosure Form, signed by an individual authorized to bind the Proposer or Contractor and containing the information listed in (1) and (2) below. For Proposals, the Contract-Related Disclosure Form is due no later than the final filing date for the Solicitation. For Contract amendments, engagements, purchase orders, and any Contracts for which a Contract-Related Disclosure Form was not submitted within one (1) year preceding the execution of the Contract, the Contract-Related Disclosure Form is due no later than the date of execution. The Contract-Related Disclosure Form is required for Contracts where the total amount is \$10,000 or more.

and for all Proposals and Contracts that are the result of an Invitation to Bid or a Request for Proposal, regardless of amount. **The Contract-Related Disclosure Form is not required when a Placement Agent Information Disclosure is required by Section 559.**

- (1) The name of every Agent and the following information for each identified Agent:
  - (A) A copy of all contracts, agreements, and other documents memorializing the relationship between the Proposer or Contractor and the Agent.
  - (B) A description of any financial or Familial Relationship(s) between the Agent and a Board Member or Staff Member, including the name(s) of the Board Member(s) and the Staff Member(s).
  - (C) Any Things of Value given or offered by the Agent to a Board Member or Staff Member during the twelve (12) months preceding the date the Contract-Related Disclosure Form is due.
- (2) Any Things of Value given or offered by the Proposer or Contractor to a Board Member or Staff Member during the twelve (12) months preceding the date the Contract-Related Disclosure Form is due.
- (3) If the Proposer or Contractor does not have any information requested in (1) or (2) above, the Proposer or Contractor will indicate this on the Contract-Related Disclosure Form.
- (c) Failure of a Proposer or Contractor to submit a complete and accurate Contract-Related Disclosure Form on or before the date it is due will result in the disqualification of the Proposer or termination of the Contract, as applicable, if the Proposer or Contractor knew or should have known the information existed as of the date the Contract-Related Disclosure Form is due.
- (d) CalPERS will review the Contract-Related Disclosure Form, and will gather additional information as it deems necessary to make a reasonable and informed decision, and determine whether the information provided demonstrates, or contributes to the appearance of, a conflict of interest or improper influence in connection with the decision to award the Contract.
- (e) If CalPERS determines there is a conflict of interest or improper influence, or the appearance of a conflict of interest or improper influence, in connection with the decision to award the Contract, CalPERS will

disqualify the Proposer or terminate the Contract, as applicable.

- (f) The CalPERS General Counsel may exempt a Solicitation or Contract from requiring the Proposer or Contractor to submit the Contract-Related Disclosure Form when in his or her opinion it is necessary to meet the fiduciary requirements imposed on the System. The CalPERS General Counsel will report the exemption to the CalPERS Board of Administration.

Note: Authority cited: Government Code section 20121.